

MSUKALIGWA MUNICIPALITY

MP 302

ANNUAL REPORT

2008 / 2009



Acronyms and Abbreviations

AFS	Annual Financial Statements	PMS	Performance Management System
ASGISA	Accelerated and Shared Growth initiative for SA	PMU	Project Management Unit
BBEE	Broad Based Economic Empowerment	PPE	Property, Plant & Equipment
BT	Business Trust	PSC	Project Steering Committee
CBD	Central Business District	REDS	Regional Electricity Distributors
CBO	Community Based Organisation	SAICA	South African Institute of Chartered Accountants
CDW	Community Development Worker	SALGA	South African Local Government Association
CFO	Chief Financial Officer	SAPS	South African Police Services
CRR	Capital Replacement Reserve	SAQA	South African Qualification Authority
DMA	Disaster Management Act	SCM	Supply Chain Management
DPLG	Department of Provincial and Local Government	SITA	State Information Technology
DPSA	Department of Public Service and Administration	SLAs	Service Level Agreements
EBA	Ermelo Business Association	SMME	Small Medium and Micro Enterprises
EPWP	Expanded Public Works Program	SMS	Senior Management Services Agency
EXCO	Executive Committee	TAC	Technical Advisory Committee
FBS	Free Basic Services	WSP	Workplace Skills Plan
FBSI	Free Basic Services and Infrastructure		
GAAP	General Accepted Accounting Practice		
GAMAP	General Accepted Municipal Accounting Practice		
GFS	General Functional Structure		
GRAP	General Recognised Accounting Practice		
HR	Human Resources		
HRD	Human Resource Management		
ICT	Information and Communication Technology		
IDP	Integrated Development Plan		
IEC	Independent Electoral Committee		
IGR	Intergovernmental Relations		
ISO	International Standards Organisation		
ISRDP	Integrated Sustainable Rural Development Programme		
ITIL	Information Technology Infrastructure Library		
KPI	Key Performance Indicator		
LGSA	Local Government Strategic Agenda		
M&E	Monitoring and Evaluation		
MDB	Municipal Demarcation Board		
MFMA	Municipal Finance Management Act		
MIG	Municipal Infrastructure Grant		
MIS	Municipal Information System		
MLDP	Municipal Leadership Development Programme		
MMIS	Municipal Management Information System		
MOU	Memorandum of Understanding		
MPCC	Multi-purpose Community Centre		
MSA	Municipal Systems Act		
MSIG	Municipal Systems Improvement Grant		
MSP	Municipal Service Partnership		
NCOP	National Council of Provinces		
NGO	Non-Governmental Organisation		
NQF	National Qualifications Framework		
NSDP	National Spatial Development Perspective		
OHS	Occupational Health and Safety		
PMDS	Performance Management and Development System		

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CHAPTER

01

INTRODUCTION AND OVERVIEW



Cllr Vilakazi, Bheki Michael
Executive Mayor

Foreword by the Executive Mayor

The year 2008/ 2009 annual report mirrored the assessment of the main activities during the year in question.

We commenced the year under review with a sad note when we lost one of the member of council, Councillor WBS Makhubu, a youngest, vibrant and fearless leader owing to death. He was instrumental and contributed at uprooting corrupt activities like illegal electricity connection.

Due to global economic crisis, many factories, businesses slowed down and some closed down which resulted at many people losing their jobs. Directly or indirectly these impacted negatively to the municipalities cash flow due to poor payment of municipal services and also exacerbated by uncollectible revenue because of either the house is registered under a name of the deceased or illegal connection.

As an intervention the municipality increased the number of indigents household from 6500 to 10 000 households. The municipality continues to provide 6000 litres (6kl) of clean portable water to every household and 50kWh of electricity per month to indigent households where infrastructure allows.

Forty Eight Million Rands (R48 000 000.00) was budgeted and spent on infrastructure development which created 250 temporary jobs through the Expanded Public Works Program (EPWP) mainly youth and women at the same time skills were impacted to these individuals.

During the year under review public participation was a cornerstone of service delivery. We visited each and every ward during the Integrated Development Planning (IDP) and Budget consultative process. Through Intergovernmental relations we had facilitated a number of meetings to bring tranquillity between some businesses and foreign nationals and prevented what was a potential xenophobic attack on foreign nationals.

We are still confronted by host of challenges as municipality such as ageing infrastructure, shortage of technical qualified personnel, maladministration, provision of refuse bin at new establishment, mushrooming of squatters.

I would like thank all staff members who worked tireless under excruciating conditions in order to fulfil our promises as alluded to in our election manifesto.



BM Vilakazi
Executive Mayor









Ngcobo, David Vusumuzi
Acting Municipal Manager





Foreword by the Acting Municipal Manager

As the Accounting Officer of the Municipality, I join the Executive Mayor, Cllr Bheki Michael Vilakazi, in presenting the Annual Report of the Msukaligwa Local Municipality for the financial year 2008/09. To the best of my knowledge, the contents of the report are consistent with the disclosure principles contained in the Guide for the preparation of Reports issued by National Treasury as per circular No. 11 of the National Treasury. In compiling the report due regard was also made to the applicable provisions of the Local Government: Municipal Systems Act 32 of 2000 as well as the Local Government: Municipal Finance Management Act 56 of 2000. This report seeks to portray the activities of the municipality during the year under review and is based on sound underlying departmental information and management systems. In presenting this report we acknowledge progress made during the 2008/09 financial year as well as the challenges that lie ahead. This report further records the progress made by the Municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan. It also reflects on challenges and priorities for the 2008/09 financial year.

The year 2008/09 was particularly significant for the Msukaligwa Local Municipality. A good measure of improvement and improvement has been achieved in the activities of the municipality in certain areas and these include the following:

-  Review of the organisational structures of the Municipality to better position it for efficient and effective service delivery. In this regard, several steps were taken to fill in the positions that were left vacant due to various causes by officials of the municipality.
-  Improved integrated planning and budgetary control.
-  Improved financial and non-financial performance.
-  Meeting of statutory reporting frameworks.
-  Efforts are currently underway to stabilise the municipality by ensuring the recruitment and appointment of suitable persons to fill the section 57 positions that are currently vacant within the municipality, including the position of the Municipal Manager..
-  Improving internal controls, both financial and non-financial, resulting in the receipt of an unqualified audit report from the Auditor-General's office.

In the year ahead, the following administrative challenges await:

-  Strengthening of our relationships with the various communities that we serve and also maximising community participation within the decision making processes within the municipality.
-  Improving on a larger scale, the initiatives towards the provision of basic services to our rural and poor communities in a sustainable manner.
-  To continue with the efforts to strengthen our capacity by ensuring that critical positions currently vacant, including section 57 positions are filled as a matter of urgency.
-  To strengthen the revenue generation and collection initiatives of the municipality

I would like to thank the Executive Mayor, the Speaker, Chief Whip, Mayoral Committee, Council and staff for their contribution in making 2008/09 a success.

Yours faithfully

D V NGCOBO
ACTING MUNICIPAL MANAGER



Executive Summary for the Annual Report: 2008/2009 Financial Year

Msukaligwa Municipality Vision

- Committed to development and sustainable quality service delivery

Msukaligwa Municipality Mission

It is the **Mission** of the Municipality to focus on the following aspects in order to achieve its Vision:

- Enhancing community participation to steer development initiatives towards community needs;
- Stimulating local economy to promote economic growth and development;
- Improving service standards through adopting ethos of good governance and measurable service delivery techniques;
- Enhancing effectiveness and efficiency in the utility of available resources;
- Empowering its communities and the vulnerable groups in particular;
- Working in partnership with all its stakeholders;
- Continuously developing its human resources to achieve high standards in service delivery; and
- Setting realistic goals and working hard to achieve them.

Msukaligwa Local Municipality's Corporate Values

The Municipality of Msukaligwa subscribes to the following public ethical values which guides the municipality to operate in a socially acceptable way and adhere to principle of corporate governance:

- Non discrimination
- Non racialism
- Transparency
- Accountability
- Non Sexism
- Democracy
- Honesty
- Service Standards and Redress
- Consultation
- Access
- Information
- Value for money

Performance highlights

An overview of the basic service delivery and financial performance highlights of the institution during the 2008/09 financial year is presented below:

Free basic services

The Municipality has an Indigent Policy in place. All qualifying indigent households are receiving free basic services. Information with regard to the provision of free basic services is reflected below:

Number of households receiving free basic services	Water – 6kl	Electricity – 50kWh
2008/09	29 000	2 948

Electricity

	2006/07 Actual	2008/09 Target	2008/09 Actual
% of households with access to electricity		1500 100%	0
Number of RDP houses	2841	0	0

Total number of new electricity connections (RDP and other connections)		0	456 + Conventional
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Water and sanitation

All formal households now have access to a basic level of water supply. The municipality is in process of supplying boreholes and VIP toilets to communities at farms/rural settlements.

Below is the reflection of progress with regard to the provision of water and sanitation services:

Type of service	2007/08 Actual	2008/09 Target	2008/09 Actual	Explanation of variance
Water (formal)	19606	20 927	19 606	1321 Backlog
Water (informal)	550	2979	60	Insufficient Budget
Number of new water connections	1263	1508	1079	429 not connected due to uncompleted houses
Sanitation (formal and informal)	1263	1508	1079	429 not connected due to uncompleted houses

Refuse removal

94% of Msukaligwa Municipality households now have a basic level of solid waste service. Progress with regard to refuse removal is reflected below:

	2007/08 Actual	2008/09 Target	2008/09 Actual	Explanation of variance
% of households (formal) with access to refuse removal service	94%	100%	94%	6% backlog from households that do not have access to refuse removal services
% of households (informal) with access to refuse removal service	0	0	0	No refuse removal at informal settlements
Number of new households provided with access to basic level of solid waste removal	19606	20927	19606	1321 (6% of the total 20927 of the households present a backlog

Housing and land delivery

Performance with regard to housing delivery is reflected below:

	2007/08 Actual	2008/09 Target	2008/09 Actual	Explanation of variance
Number of new low- cost houses built	2380	1508	456	1052 Backlog carried over to 2010/11

Financial sustainability







The Municipality also experienced an improvement in revenue **collection**, as reflected in the table below:

FINANCIAL YEAR	TARGET	ACTUAL
2007/08	9 560 921	9 060 794
2008/09	9 374 794	7 041 881

The Municipality's improved capital **expenditure** over the review period is reflected below:

FINANCIAL YEAR	TARGET	ACTUAL
2007/08		
2008/09	-	10 252 794























More comprehensive performance information is provided in [Chapter 2](#), under the following key performance areas:

-  Electricity Backlogs
-  Roads Backlogs
-  Water Backlogs
-  Sanitation Backlog
-  Refuse Removal Backlogs
-  Building and Zoning Plans

Msukaligwa Municipality

1.4 Overview of the Municipality

Reporting Level	Detail	Total
Geography	<p>The Msukaligwa Local Municipality is situated within the Gert Sibande Region within the Mpumalanga Province and is known "as where the Vaal River begins"</p> <ul style="list-style-type: none"> ➤ Geographical area in square kilometers 	6016.5 Km ²
Demographic Data	<p>Msukaligwa Local Municipality has a population of 142 026 thousand and covers an area of 6016. 5 km². The town has a relatively youthful population, with 36% of residents between the ages of 15 and 34 years, indicating that education and job creation require serious attention. Altogether 33% of the population is below the age of 15 years, while 26% is between 35 and 64 years, 4% is 65 years and above</p> <p>Population:</p> <ul style="list-style-type: none"> Total population Indigent Population Total number of voters <p>Aged breakdown:</p> <ul style="list-style-type: none"> 65 years and over between 40 and 64 years between 15 and 39 years 14 years and under 	<p>142 026</p> <p>7 939</p> <p>61 417</p> <p>5 905</p> <p>28 440</p> <p>60 189</p> <p>47 492</p>
Household Data	<p>Household income:</p> <ul style="list-style-type: none"> over R3,499 per month between R2,500 and R3,499 per month between R1,100 and R2,499 per month under R1,100 per month <p>Household Types:</p> <ul style="list-style-type: none"> Total number of formal households Total number of indigent households Total number of informal households Total number of traditional households 	<p>17 851</p> <p>5512</p> <p>11564</p> <p>5179</p> <p>24 330</p> <p>7939</p> <p>3023</p> <p>3431</p>
Socio-economic trends	<ul style="list-style-type: none"> The unemployment rate for 2008/09 The economic growth rate for 2008/09 <p>Education</p> <ul style="list-style-type: none"> Matriculation Certificate or higher qualification [Over 15 Years] Degrees and Higher Qualifications Illiterate residence over the age of 15 	<p>11.6%</p> <p>2.7%</p> <p>23%</p> <p>4.2%</p> <p>15%</p>
Community, Health and Educational facilities	<p>Health Facilities</p> <ul style="list-style-type: none"> Private Hospitals Primary Health Care Clinics Mobile Clinics Government hospitals Infectious Hospital (TB) Dentists Gynecologist Social Workers Private Doctors <p>Community facilities</p> <ul style="list-style-type: none"> Police Stations Public Sport Facilities Public Libraries 	<p>1</p> <p>10</p> <p>4</p> <p>1</p> <p>1</p> <p>3</p> <p>1</p> <p>12</p> <p>20</p> <p>7</p> <p>19</p> <p>6</p>

	 Community Halls	11
	 MPCC/TSC	1
	 Post Offices	7
	 Pension Pay-out Points	9
	Educational facilities	
	 No. of Primary Schools	71
	 No. of High School	6
	 No. of Combined Schools	12
	 No. of Secondary Schools	10
	 No. of Tertiary Education Facilities	0
	 No. of FET Colleges	1
	 No. of Training Centers/Adult Education	9
	 No. of Private Schools	3
	 Day Care Centers	40
Council	<p>Msukaligwa Municipality has 32 Councillors (16 Proportional Representation (PR) Councillors, and 16 Ward Councillors) with the Speaker as the chairperson at the Council meetings. Council sittings are being held on quarterly basis in terms of the Standard Standing Orders unless there is a request for a special Council sitting</p>  Meetings Held	11
Executive Mayoral Committee System	<p>The Municipality has an Executive Mayoral Committee system, which consists of the Executive Mayor and four Mayoral committee members. The Mayoral Committee meetings are held monthly.</p>  Meetings Held	12
Portfolio Committees	<p>There are five Portfolio committees within the municipality. Each Portfolio Committee is chaired by a Mayoral Committee member. The Portfolio Committee meetings are held every month.</p>  Meetings Held	12
Administration	<p>The administration is headed by the Municipal Manager and the following Directorates:</p>  Office of the Municipal Manager  Corporate services  Finance  Engineering Services  Community Services  Public Safety	
The Annual Report sets out the priorities, key achievements and challenges of the Msukaligwa Local municipality in 2008/09		



Msukaligwa Municipality General Information

Grading Of Local Authority
Auditors
Bankers
Registered Office

Grade 8
Auditor-General
Standard Bank
Civic Centre
C/o Kerk and Taute streets
Joubert Park
Ermelo

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Sewerage
Consumers

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Paypoints

Civic Centre
Thusiville
Wesselton
Breyten / Kwazanele
Chrissiesmeer / Kwachibikhulu
Davel/Kwadela
Lothair / Silindile

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